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SUBJECT: NOVA SCOTIA'S TORIES GO FOR YOUTH

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¶11. (U) SUMMARY: Nova Scotia's Progressive Conservatives opted for generational change February 11, choosing a 34 year old member of the legislature from Cape Breton as the next Premier of Nova Scotia, replacing 67 year old John Hamm. Rodney MacDonald is well known to us and has his predecessor's interest in good U.S. - Canada relations. END SUMMARY.

¶12. (U) Nova Scotia's Progressive Conservative party selected a new leader February 11. Rodney Macdonald, MLA from Inverness, Cape Breton, beat out two rivals for the party leadership and will be sworn in February 24 as Premier, replacing John Hamm who announced last fall that he was stepping down. Nova Scotia is seeing a literal generational change in leadership -- MacDonald, at 34, is half Hamm's age.

THANKS, JOHN

¶13. (U) The party sent Hamm out in style February 10. The Prime Minister, Foreign Affairs Minister and Fisheries Minister all attended the event, which included tributes from fellow Premiers, music by the Cape Breton master of all stringed instruments J.P. Cormier and a guest appearance by former Ambassador Paul Cellucci, who had worked with Hamm since their days as members of the New England Governors - Eastern Canadian Premiers meetings. At the farewell event party faithful banged thundersticks that had "Thanks John" written on them, a video spoofed Hamm's conservative dress and made sometimes not-so-gentle fun of the provincial Liberal and NDP leaders, and speakers praised the Premier's dedication, perseverance and integrity in pursuit of balanced budgets and his "Campaign for Fairness" which eventually led to Nova Scotia and Newfoundland-Labrador receiving the full benefit of offshore energy resources.

¶14. (U) Hamm told CG in early February that he felt part of his legacy was a vibrant political culture that produced three well-qualified potential successors. During the tribute to the Premier, held the night before the vote to succeed him, CG spoke with more than a dozen delegates and journalists, none of whom was willing to predict anything but an extremely close first ballot in the race to choose the new party leader and Premier.

WELCOME, RODNEY

¶15. (U) True enough, the leadership convention's first vote on Hamm's successor as party leader was almost evenly split. 60 votes out of about 2,200 cast separated first and third place. Rodney MacDonald led Bill Black -- a retired insurance executive and the apparent choice of the Halifax business community -- by

789 votes to 742, with former provincial Finance Minister Neil Leblanc polling 730. Convention rules required Leblanc to drop out and he honored the agreement he and MacDonald had made that whoever finished third would throw his support to the other. In the second round of voting Black picked up over 100 Leblanc votes but Macdonald easily carried the day with 1,263.

COMMENT

16. (SBU) Although Premier Hamm was officially neutral in the contest to pick his successor, it seemed clear to a number of observers that he has been grooming MacDonald for bigger things for some time. In addition to MacDonald's portfolio as Tourism Minister and Minister Responsible for Health Promotion he was also put in charge of the province's immigration strategy in 2005 (reftel). CG has met MacDonald both formally and socially on a number of occasions and has been impressed with his accessibility and interest in good bilateral relations. Our Consular Section has helped MacDonald, who has worked professionally as a fiddle player, with several inquiries about cross-border travel for musicians. We see no reason to think that the new Premier of Nova Scotia will be any different than in predecessor in wanting good bilateral relations.

17. (SBU) How the new Premier will fare with provincial politics and on the national stage will be interesting to watch.

Macdonald takes over a minority government that has a strong and effective opposition in the NDP, but which has worked relatively harmoniously with the opposition. In the short term he will have to continue the working relationship Hamm and his senior staff developed with the NDP and Liberals to get budgets and legislation passed. He will also have to decide fairly quickly when to call a provincial election and seek his own majority. One opposition member with whom we spoke recently said he expects a late spring election, after school is out and Halifax's significant population of university students goes home; the downside of that for MacDonald is that a provincial vote so soon could cause a backlash against the Tories from

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voters who were just at the polls in January for the federal election.

18. (SBU) In MacDonald's favor in the next election is that he could attract younger urban voters to a party that has its base among older voters in rural Nova Scotia. Hamm, a respected former country doctor from a rural area, would likely campaign for him to reassure rural voters that they had nothing to fear from the new Premier. MacDonald's chief rival, Bill Black, is the nominee in a downtown Halifax riding that was vacated by a Liberal. The Tories need to secure that seat, although it will mean that MacDonald will almost certainly have to give a once and possibly future opponent a job in the cabinet.

19. (SBU) Nationally, MacDonald will be by far the youngest Premier, and will need to develop his own gravitas in order to be taken seriously at the First Ministers' meetings. We expect that he will be cautious at first on the national scene, working out of the spotlight to forge alliances with other Premiers and at least initially only seeking wider attention on issues of direct concern to Nova Scotia that will play well at home. With time, however, depending on how long he is able to remain Premier, he has the potential to become one of the longer-serving and influential Premiers. We do not have the sense at this point that he has ambitions for national political office, but if he is still in office 10 years from now that could well have changed.

BIO INFORMATION

110. (U) We have already transmitted separately bio information on Premier-designate MacDonald.

HILL